

Century Bond Bhd.
(Company No. 228669-V)
(Incorporated in Malaysia)

Interim Financial Report
30 September 2007

Century Bond Bhd.

(Company No. 228669-V)
(Incorporated in Malaysia)

Condensed consolidated balance sheet at 30 September 2007 - unaudited

	Note	30.09.2007 RM'000	31.3.2007 RM'000 (Restated)
Assets			
Property, plant and equipment	A3	41,623	40,294
Prepaid lease payments		4,743	4,866
Investment in quoted shares	B7	7	7
Goodwill		359	359
Total non-current assets		<u>46,732</u>	<u>45,526</u>
Inventories		34,602	31,443
Trade and other receivables		43,207	35,650
Tax recoverable		2,136	1,357
Cash and cash equivalents		20,164	23,121
Total current assets		<u>100,109</u>	<u>91,571</u>
Total assets		<u>146,841</u>	<u>137,097</u>
Equity			
Share capital		60,000	60,000
Reserves		25,283	26,502
Total equity attributable to shareholders of the Company		85,283	86,502
Minority interest		1,812	1,669
Total equity		<u>87,095</u>	<u>88,171</u>
Liabilities			
Loans and borrowings	B9	3,704	2,077
Deferred tax liabilities		5,047	4,933
Total non-current liabilities		<u>8,751</u>	<u>7,010</u>
Trade and other payables		21,107	18,348
Loans and borrowings	B9	28,418	23,386
Taxation		1,470	182
Total current liabilities		<u>50,995</u>	<u>41,916</u>
Total liabilities		<u>59,746</u>	<u>48,926</u>
Total equity and liabilities		<u>146,841</u>	<u>137,097</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

Century Bond Bhd.

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Condensed consolidated income statement for the period ended 30 September 2007 - unaudited

	Note	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue		44,445	37,645	83,269	76,882
Cost of sales		(37,827)	(32,234)	(70,232)	(65,696)
Gross profit		6,618	5,411	13,037	11,186
Other income		1,256	880	1,958	1,499
Distribution expenses		(2,439)	(1,508)	(4,534)	(3,432)
Administrative expenses		(1,025)	(1,175)	(2,613)	(2,435)
Other expenses		--	(26)	--	(54)
Results from operating activities		4,410	3,582	7,848	6,764
Finance costs		(604)	(488)	(1,231)	(903)
Profit before tax		3,806	3,094	6,617	5,861
Tax expense	B5	(1,212)	(768)	(1,764)	(1,351)
Profit for the period		<u>2,594</u>	<u>2,326</u>	<u>4,853</u>	<u>4,510</u>
Attributable to:					
Shareholders of the Company		2,534	2,223	4,710	4,335
Minority interest		60	103	143	175
Profit for the period		<u>2,594</u>	<u>2,326</u>	<u>4,853</u>	<u>4,510</u>
Basic earnings and diluted per ordinary share (sen)	B12	<u>2.11</u>	<u>1.85</u>	<u>3.93</u>	<u>3.61</u>

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements

Century Bond Bhd.

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Condensed consolidated statement of changes in equity for the period ended 30 September 2007 - unaudited

	Note	← Non-distributable →			Distributable		Minority interest RM'000	Total equity RM'000
		Share capital RM'000	Revaluation reserve RM'000	Exchange fluctuation reserves RM'000	Retained earnings RM'000	Total RM'000		
<i>At 1 April 2007</i>		60,000	28	141	26,333	86,502	1,669	88,171
Realisation of deferred tax expenses		--	75	--	--	75	--	75
Exchange differences on translation of the financial statements of foreign subsidiaries		--	--	(4)	--	(4)	--	(4)
Profit for the period		--	--	--	4,710	4,710	143	4,853
Dividends to shareholders	A9	--	--	--	(6,000)	(6,000)	--	(6,000)
<i>At 30 September 2007</i>		<u>60,000</u>	<u>103</u>	<u>137</u>	<u>25,043</u>	<u>85,283</u>	<u>1,812</u>	<u>87,095</u>
<i>At 1 April 2006</i>		60,000	28	130	19,885	80,043	1,793	81,836
Exchange differences on translation of the financial statements of foreign subsidiaries		--	--	27	--	27	--	27
Profit for the period		--	--	--	4,335	4,335	175	4,510
Acquisition of interest from minority shareholders		--	--	--	--	--	(222)	(222)
<i>At 30 September 2006</i>		<u>60,000</u>	<u>28</u>	<u>157</u>	<u>24,220</u>	<u>84,405</u>	<u>1,746</u>	<u>86,151</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

Century Bond Bhd.

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Condensed consolidated cash flow statement for the period ended 30 September 2007 - unaudited

	6 months ended 30 September	
	2007 RM'000	2006 RM'000
Cash flows from operating activities		
Profit before tax	6,617	5,861
Adjustments for non-cash flow:		
Non-cash items	2,346	2,146
Non-operating items	736	(852)
Operating profit before changes in working capital	9,699	7,155
Net change in current assets	(10,439)	(2,338)
Net change in current liabilities	2,830	2,825
Tax paid	(1,142)	(1,340)
Net cash from operating activities	948	6,302
Cash flows from investing activities		
Other investments activities/ Net cash used in investing activities	(3,335)	(492)
Cash flows from financing activities		
Dividend paid to shareholders	(6,000)	--
Proceeds from/(Payment for) bank borrowings	4,371	(739)
Net cash used in financing activities	(1,629)	(739)
Net (decrease)/increase in cash and cash equivalents	(4,016)	5,071
Cash and cash equivalents at beginning of period	22,450	14,758
Cash and cash equivalents at end of period	18,434	19,829
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and bank balances	7,230	7,166
Deposits with licensed banks	12,894	15,095
Bank overdrafts	(1,690)	(2,432)
	18,434	19,829

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

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(A) Notes to the interim financial report

A1. Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standard (FRS) 134, *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board (MASB).

The preparation of an interim financial report in conformity with FRS 134, *Interim Financial Reporting* requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2007 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with FRSs.

The financial information relating to the financial year ended 31 March 2007 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 March 2007 are available from the Company's registered office.

A2. Changes in accounting policies

The MASB has issued a number of new and revised Financial Reporting Standards (FRSs), which term collectively includes the MASB's Issues Committee's Interpretations) that are effective for accounting periods beginning on or after 1 April 2006.

The Board of Directors has determined the accounting policies to be adopted in the preparation of the Group's annual financial statements for the year ending 31 March 2008 on the basis of FRSs currently in effect.

The following sets out further information on the changes in accounting policies for the annual accounting period beginning on 1 April 2007 which have been reflected in this interim financial report.

Summary of the effect of changes in accounting policies

(a) Leasehold land (FRS 117, Leases)

The adoption of the revised FRS117 has resulted in a retrospective change in accounting policy relating to the classification of leasehold land. Leasehold land was previously classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. With the adoption of FRS 117, the leasehold interest in the land held for own use is accounted for as being held under an operating lease. Such prepaid lease payments are amortised on a straight line basis over the remaining lease term of the land.

The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively.

A2. Changes in accounting policies (continued)

(b) Income taxes (FRS 112, Income Taxes)

FRS 112 addresses the accounting treatment for income taxes. However, FRS 112 does not prescribe the accounting treatment for reinvestment allowance and investment tax allowance. In the current accounting policy for income taxes, reinvestment allowance or investment tax allowance is treated as the tax base of an asset. The Group and the Company have not yet determined whether this accounting policy needs to be changed.

A3. Property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual report.

A4. Auditors' report on preceding annual financial statements

The auditors have expressed an unqualified opinion on the Company's statutory financial statements for the year ended 31 March 2007 in their report dated 10 July 2007.

A5. Comments about seasonal or cyclical factors

The Group businesses are affected by seasonal or cyclical factors in that it normally experiences better sales in the first and second quarters of the financial year.

A6. Unusual items affecting the assets, liabilities, equity, net income or cash flows

There are no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial year-to-date.

A7. Material changes in estimates

There are no material changes in estimates for the current quarter and financial year-to-date.

A8. Capital and reserves

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

A9. Dividends paid

Since the end of the previous financial year, the Company paid a final dividend of 5 sen tax exempt per ordinary share totalling RM6,000,000 in respect of the year ended 31 March 2007 on 30th August 2007.

No interim dividend has been declared for the current financial year to-date.

A10. Segment information

	Revenue 6 months ended 30 September		Profit before tax 6 months ended 30 September	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Paper packaging	51,610	44,949	7,054	4,878
Plastic packaging	32,627	32,074	851	1,162
Contract manufacturing and packing	14,467	14,565	(107)	678
Investment and property holding	463	463	50	47
	99,167	92,051	7,848	6,765
Inter-segment elimination	(15,898)	(15,169)	--	(1)
	83,269	76,882		
Segment result	--	--	7,848	6,764
Finance costs	--	--	(1,231)	(903)
	<u>83,269</u>	<u>76,882</u>	<u>6,617</u>	<u>5,861</u>

A11. Material events subsequent to period end

There require no material events subsequent to the end of the period reported that have not been reflected in this quarterly report.

A12. Changes in composition of the Group

On 8th August 2007, PT. Prestige Packages Indonesia ('PTPPI') was incorporated in Indonesia .PTPPI's equity is 100% effectively held by Century Bond Bhd through its subsidiaries as follows:

- i) Prestige Packages Sdn. Bhd., a wholly owned subsidiary, which holds 95% of the equity of PTPPI comprised of 4,750 shares of US Dollar 100 each fully paid.
- ii) Brandpak Industries Sdn. Bhd., a wholly owned subsidiary of Prestige Packages Sdn. Bhd which holds 5% of the equity of PTPPI comprised of 250 shares of US Dollar 100 each fully paid.

A13. Contingent assets and contingent liabilities

The Group does not have any contingent liabilities and contingent assets since the last annual balance sheet date.

A14. Capital Commitments

	30 September 2007 RM'000	30 September 2006 RM'000
<i>Property, plant and equipment</i>		
Contracted but not provided for	<u>1,000</u>	<u>--</u>

A15. Material related party transactions

Significant related party transactions of the Group are as follows:

	6 months ended 30 September	
	2007	2006
	RM'000	RM'000
Directors' remunerations	772	606
<i>Rental payable to certain Directors</i>	46	55
<i>Companies in which the spouse of an Executive Director of CBB has substantial financial interest</i>		
Purchases of printing block	383	335
Rental receivable	18	16
<i>Company in which a corporate shareholder of a subsidiary has substantial financial interest</i>		
Sale of paper bags	9,009	7,113
Rental payable	36	36

A16. Comparative figures

Certain comparative figures have been reclassified as a result of adoption of FRS 117, Leases.

	As restated RM'000	As previously stated RM'000
<i>Balance sheets</i>		
Property, plant and equipment	40,294	45,160
Prepaid lease payments	4,866	--

A17. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 November 2007.

Part B

Additional Explanatory Notes Pursuant to
Appendix 9B of the Listing – Requirements of
Bursa Malaysia Securities Berhad
– Second Quarter Ended 30 September 2007

B1. Review of performance

The Group's revenue for the 2nd quarter for the financial year ending 31 March 2008 is reported at RM44.445 million, which is approximately RM6.8 million higher compared to the same corresponding quarter last year. Gross profit is reported at RM6.618 million in current quarter which increased by RM1.207 million compared to the same quarter last year of RM5.411 million due to increase in sales volume of our paper packaging products such as paper bags and carton boxes.

B2. Variation of results against preceding quarter

The Group's current quarter profit before tax of RM3.807 million, which is RM0.997 million higher compared to the profit before tax of RM2.810 million registered in the preceding quarter due to higher turnover.

B3. Current year prospects

The Group has identified paper and plastic packaging divisions as the key drivers of growth for the Group. The management has also determined several strategies to improve and increase the Group's capabilities and product range, with the aim to be more competitive and ultimately position itself as a "One-Stop Solution Provider" in the packaging industry.

The financial performance of the Group in the current year will be driven by performance of the domestic and regional economies.

The Group is optimistic to maintain and generate positive earning in the current financial year with the measures and concerted efforts undertaken by the management and employees at all level.

B4. Profit forecast

Not applicable.

B5. Tax expense

	3 months ended 30 September		6 months ended 30 September	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Tax expense				
- Current year	984	767	1,650	1,347
- Under provision in prior quarter	114	--	--	--
	1,098	767	1,650	1,347
Deferred tax expense				
- Reversal and origination of temporary differences*	(61)	1	(61)	4
- Under provision in prior year	175	--	175	--
	114	1	114	4
	<u>1,212</u>	<u>768</u>	<u>1,764</u>	<u>1,351</u>

The effective tax rate is slightly lower than the statutory tax rate mainly due to utilization of reinvestment allowance by certain of the subsidiaries for current quarter and year to-date.

B5. Tax expense (continued)

* With effect from year of assessment 2008, corporate tax rate is at 26%. The Malaysian Budget 2008 also announced the reduction of corporate tax rate to 25% in 2009. Consequently deferred tax assets and liabilities are measured using these tax rates.

B6. Unquoted investments and properties

There were no profits on sale of unquoted investments or properties as there were no disposals of unquoted investments or properties during the period under review.

B7. Investment in quoted shares

There were no purchase or disposal of quoted securities for the current quarter under review.

B8. Status of corporate proposal announced

There were no outstanding corporate proposal during the current quarter and financial year to date.

B9. Loans and borrowings

The loans and borrowings of the Group denominated in Ringgit Malaysia are as follows:

	30 September 2007 RM'000	30 September 2007 RM'000
Non-current		
- Secured	1,370	408
- Unsecured	2,334	1,669
	<u>3,704</u>	<u>2,077</u>
Current		
- Secured	1,080	10,268
- Unsecured	27,338	13,118
	<u>28,418</u>	<u>23,386</u>
Total borrowings	<u><u>32,122</u></u>	<u><u>25,463</u></u>

B10. Off balance sheet financial instruments

During the financial period to-date, the Group did not enter into any contracts involving off balance sheet financial instruments.

B11. Changes in material litigation

There were no pending material litigation as at 26 November 2007, being a date not earlier than 7 days from the date of this quarterly report.

B12. Earnings per ordinary share*Basic and diluted earnings per ordinary share*

Basic and diluted earnings per ordinary share is calculated by dividing the profit after tax for the period by the weighted average number of ordinary shares in issue during the period.

	3 months ended 30 September 2007	6 months ended 30 September 2007
Profit for the period (RM'000)	2,594	4,853
Less: Amount attributable to minority interest (RM'000)	(60)	(143)
Profit for the period attributable to shareholders of the Company (RM'000)	<u>2,534</u>	<u>4,710</u>
Weighted average number of ordinary shares in issue ('000)	<u>120,000</u>	<u>120,000</u>
Basic and diluted earnings per share (sen)	<u>2.11</u>	<u>3.93</u>

There are no dilutive earnings per share during the period.